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C O N F I D E N T I A L SECTION 01 OF 03 MANAMA 001319

SIPDIS

STATE FOR NEA/ARPI  
STATE PASS USTR/JASON BUNTIN  
LONDON FOR ETHAN GOLDRICH

E.O. 12958: DECL: 08/24/2014  
TAGS: [ENRG](#) [ECON](#) [PGOV](#) [ASEC](#) [BA](#)  
SUBJECT: HOT TIME, SUMMER IN THE CITY: BAHRAIN COPIES WITH  
NATIONWIDE BLACKOUT

REF: A. MANAMA 1206

[1B](#). MANAMA 496

Classified By: Charge d'Affaires Susan L. Ziadeh for reasons  
1.4 (b) and (d)

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Summary  
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[11. \(C\)](#) Bahrain experienced a nationwide blackout that lasted up to 15 hours in some neighborhoods. Minister of Electricity and Water (MEW) Shaikh Abdullah bin Salman Khalid Al Khalifa attributed the blackout to an unexpected massive power surge from the nation's aluminum manufacturer ALBA. Prime Minister Khalifa bin Salman Al Khalifa publicly called for an immediate investigation, and angry parliamentarians demanded a special session to discuss the issue. Security forces dispersed throughout populated areas to maintain public security and direct traffic. Despite intense heat and humidity, there were no reports of any blackout-related crime or disturbances. Hospitals reported that they were able to operate intensive and critical care units and emergency departments. The press reports an estimate of BD 10 million (\$27 million) in economic losses from the one day interruption to normal work schedules. Senior government officials in the past have noted to us the increasing strain on the power system, and the GOB will have to deal with inevitable questions from potential investors about the infrastructure capacity as it seeks to promote Bahrain as an investment destination. End Summary.

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Power Surge Causes Blackout  
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[12. \(U\)](#) On August 23rd, Bahrain experienced a nationwide blackout that started at 8 AM and lasted up to 15 hours in some neighborhoods. Most businesses and government agencies shut down by 10 AM. On a day that reached nearly 50 degrees Centigrade and 90 percent humidity, many Bahrainis sought refuge from the heat by driving over the causeway to eastern Saudi Arabia while others flew to Dubai. A few retail outlets known to have back-up generators experienced a huge surge in business as Bahrainis piled into establishments like McDonalds and the Jawad and Al Osra supermarkets. At Jawad, families with overheated babies lingered in the frozen foods section. Other Bahrainis clogged roadways by driving around the island in their air-conditioned cars. Some citizens ran out of gas while trying to keep cool because only four gas stations were operational. Traffic lights were out and there were reports of minor car accidents, including an unfortunate collision involving a truck carrying a large delivery of fresh eggs. Domestic telephone landlines remained operational but cellular networks were jammed. Two-thirds of Bahrain's water supply was cut off because there was no electricity to power the country's desalination plants.

[13. \(SBU\)](#) A MEW official told FSN on August 24 that the blackout was due to a 400MW power surge from the ALBA aluminum smelter during routine maintenance of a production line. The official refuted widespread rumors that the blackout came as a result of maintenance problems at the Hidd power plant or due to a fire at the Manama power station. In a July 27 explanation about recent rolling brownouts (Ref A), the Electricity Minister explained to Charge that the power distribution network, designed to accommodate a 20 percent load increase, has had to service an 80 percent growth in demand over the past three years.

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Police Report No Blackout-Related Incidents  
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[14. \(SBU\)](#) The Bahrain Defense Force, Coast Guard, and police stepped up the pace of their operations, and 100 public security personnel immediately mobilized to support the traffic directorate in controlling the flow of vehicles in the absence of traffic lights. Security contacts report that as the day went on, police had reduced communications ability

because the batteries on their radios wore down. Airport contacts confirmed on August 24 that the Bahrain International Airport remained fully operational during the blackout. Some flights were delayed but none were canceled. The intensive and critical care units and emergency rooms at all major hospitals remained open, though they had to turn away non-emergency cases. Hospitals did experience problems with crowd control because an overwhelming number of people without medical emergencies showed up to sit in air-conditioned ER waiting rooms. The Saudis ran electrical wires to the Bahraini side of the causeway to ensure that immigration, customs and security operations were not interrupted. There were no reports of blackout-related crimes or disturbances.

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#### MPs Promote Special Session to Investigate

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**15.** (C) In response to the blackout, the Prime Minister convened an emergency Cabinet meeting on August 23 and ordered an immediate inquiry into the blackout and formed an investigative committee. Council of Representatives (COR) First Vice Chairman Abdulhadi Marhoon called for convening a special session of Parliament to discuss electricity and water cuts, which have become more frequent in recent years. Over 15 members of Parliament met and agreed to form an investigative committee. Shura Council First Vice Chairman Abdulrahman Jamsheer told FSN and PolOFF on August 23 that he expects the Minister of Electricity and Water to be fired. Al Minbar (Sunni) member MP Shaikh Mohammed Khalid Mohammed accused the GOB of not planning for emergencies and warned that this lack of planning affects critical sectors of the economy. Islamic Bloc (Shi'a) President and MP Ali Samaheeji told PolOFF on August 24 that these power outages affect all Bahrainis, but Shi'a even more so. He noted that Sunni areas, particularly the central Rifaa district that houses the royal family and a number of government ministries, had its power restored within a few hours while predominantly Shi'a areas in the north and west had to wait until 10 PM or later until the electricity flowed again. Others noted that following the blackout, Sunni and Shi'a were united in their misery because previously, during the rolling brownouts, only the poor Shi'a areas were affected.

**16.** (U) In contrast with the anodyne official news reports, Radio Bahrain disc jockeys kept the English speaking public informed of developments by passing on reports from listeners about when the power was restored to parts of the country. Embassy local staff reported that the Electricity Ministry complaints and information hotline was constantly busy. Only after power was fully restored to all areas did the MEW Minister hold a late night press conference to explain to journalists the cause of the blackout. In his August 24 press release, the Prime Minister expressed the GOB's regrets for any inconvenience caused by the blackout.

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#### Economic Losses, and Damaged Reputation

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**17.** (SBU) The press reported that the blackout caused BD 10 million (\$27 million) in economic losses. A front-page article stated that Bahrain's banks, a source of economic growth and national pride, faced delays of up to four hours in their international operations. A source at the Ministry of Finance and National Economy told us that at this point it was impossible to quantify accurately the economic losses, but the GOB would conduct investigations to arrive at an estimate. The press noted that the business community supports the investigations. One banking contact told us that his office had to close by noon, leading to financial losses and lost opportunities in a sector characterized by activity 24/7. Others were too busy to comment, saying that the loss of a workday caused an extraordinary queue of transactions the following day, August 24.

**18.** (SBU) The blackout highlighted a gap between Bahrain's aspirations to become a regional center for finance, insurance, education, health care, and other services, and the necessary infrastructure to support such development. Bahrain seeks to leverage a Free Trade Agreement with the U.S. to attract more foreign direct investment and to promote its reputation as a regional services center. The blackout could lead to embarrassing questions regarding the country's ability to support more investment. Representatives of American firms in country had mixed assessments of the impact of the blackout. One said the net result was just "disrupted business and an unproductive day," while another said that the incident was the "harvest of years of poor planning" and would cause "big firms to ask questions" about Bahrain as an investment destination. Minister of Finance and National Economy Abdullah Saif told the Shura Council in April the growth in demand for power requires the state to invest in new power facilities every two to three years, and the GOB has to prepare itself for this.

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Comment

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19. (C) Though the blackout harmed Bahrain and its government's reputation politically and economically, what is perhaps most noteworthy is what did not happen. Despite the heat, humidity, heavy traffic, and crowds, there was no breakdown in public order or blackout-related incidents. Possibly reflecting consensus that "we're all in this together," family groups waiting out the day inside the food court next to the Jawad supermarket reconfigured the tables into impromptu "majleses," where citizens expressed their views. Perhaps the blackout may result in greater government responsiveness to repeated Shi'a complaints about the impact of rolling brownouts on their lives. It would seem that Bahrain's Sunni and Shi'a alike, will not accept another iteration of the lack of planning that they believe led to yesterday's power failure. Already calls have begun for greater government accountability and action. End Comment.  
ZIADEH